

Arizona
Department
of Revenue

2007 Software Developers' Manual

Version: **FINAL**
Issued: 08/27/2007

A Supplement to Publication AZ-1346A
– *Record Layouts and Specifications*



Quick Facts

- PATs Tests available: 09/30/2007
- PATs Testing start date: 11/13/2007
- EMS Production start date: 01/11/2008

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Section 1 — Arizona e-File Miscellanea

Home Service Center (IRS)

Arizona's Federal Home Service Center is Fresno.

Application to Participate

Submission of the Application to Participate is required by all developers prior to testing. A representation of the application can be found in Section 11 (Appendix) of this publication. The actual application can be downloaded here: <http://www.azdor.gov/Eservice/pdf/2007App2Participate.pdf>

Personal Exemption Allocation Election - FORM 202

The Personal Exemption Allocation Election contained in the unformatted record must be present when filing status 3 (Married Filing Separate) or 4 (Head of Household) is used, and when more than ½ of the total exemption is claimed. Refer to 140 instructions for further details.

Stillborn Child Dependent Exemption

Stillborn data is listed in fields 325, positions 01 – 43, may be claimed if the following apply:

1. The stillbirth occurred during 2007.
2. A "Certificate of Birth Resulting In Stillbirth" from the Arizona Department of Health Services has been issued.
3. The child would have otherwise been a member of your household.

State-only Returns

Arizona **prohibits** the use of electronic taxpayer signature(s) on state-only returns. Fields 120 (Primary TP Signature) and 125 (Secondary TP Signature) must be blank when "SO" is valid in field 19. In this case, the ERO and/or taxpayer must retain a signed AZ-8453 for a period of four years after the return is filed.

Unlike the IRS, Arizona cannot support the split-refund option.

Single Extension Period

Arizona has a single 6 month extension just like the federal extension (Field 305, position 45). The extension is valid until October 15, 2008. If a federal extension is filed it will be accepted for Arizona purposes also, unless there is tax due. In that case, the Arizona extension (Form 204) should be used and payment should accompany it.

ERO Registration

Please make sure that your EROs know that they are not required to submit a separate registration to e-file with Arizona. IRS approval is required, but it is not necessary to provide proof of the approval to Arizona.

We continue to get many phone calls from EROs who tell us that their software has told them they must register with Arizona.

Please check your software help files and instructions and make sure that any such dialog has been removed.

Community Property Allocation

The federal Allocation Record must be transmitted with the Arizona return when filing status 3 (Married Filing Separate) is selected and the mailing address is Arizona or any other community property state (see Appendix, Figure 6, page 21). Also, field 325, position 78 (Community Property Allocation Record) must be "Y". If mailing address is a non-community property state, the ALLOC (Community Property Allocation Record) is not required and field 325, position 78 must be "N".

Fee for Bad Checks:

\$25 NSF fee also applies to DIRECT DEBIT TRANSFERS drawn on a bank or other depository institution, in full or partial payment of a tax, if the instrument is not paid or is dishonored by the institution.

Refund Offsets

Collection of unpaid spousal maintenance, court fees and fines, and money due to other state and federal agencies may be collected through the AZDOR Debt-setoff program.

Testing for Multiple Products Using the Same Platform (Engine)

If a developer creates more than one product (example: Online and Professional) it will not be necessary to undergo the entire PATs testing procedure for each product. Once the initial PATs has been passed, inform us of any additional products and we will discuss with you whether any additional testing will be required. Usually only two tests are required for each additional product that uses the same software engine.

Multiple Copies of Series 300 Credit Forms

Transmission of multiple copies of all credit forms (series 300) is required when there is not enough space to list all of the necessary information on a single copy of the form. For example, many taxpayers donate to more than two public schools. When more than two schools need to be listed, a second (or more) occurrence of Form 322 should be included in the transmission. The same would be true for any other credits claimed.

Arizona e-File Now Accepts Returns with ITIN/SSN Mismatch

Tax returns filed with an Individual Taxpayer Identification Number reporting wages paid are required to show the Social Security Number under which the wages were earned. This creates an identification number (ITIN/SSN) mismatch. In the past, returns with this mismatch could only be filed on paper. Now, due to programming changes, the Arizona e-File system will also accept returns with an ITIN/SSN mismatch.

"The hardest thing in the world to understand is income taxes."
— Albert Einstein

Section 2 – Changes for Tax Year 2007

Form 309 — Credit for Taxes Paid to Other States or Countries

Arizona lost a tax case this year involving the way this credit is calculated. As a result, Form 309 must be redesigned. There will be four different forms to replace the “old” Form 309. Because this new “method” of figuring this credit has been required by the court, these forms are undergoing extensive review and we expect them to be ready last, after all the other tax forms have been through the normal review and approval process.

It has also been announced that for tax year 2007, individuals who file a Form 309 **will not be allowed** to e-File. They will have to mail their return to AZDOR with a copy of the other taxing authority’s tax return.

Standard Deduction

The standard deduction has increased for tax year 2007. The amounts are:

- Single and Married Filing Separate = \$4,373
- Head of Household and Married Filing Joint = \$8,745

Credit Forms

The following credit form has been **removed** from the Unformatted Record:

328 – Neighborhood Electric Vehicle (NEV) Credit

The following credit forms are NEW but will **not** be added to the Unformatted Record:

338 – Credit for Investment in Qualified Small Businesses

339 – Credit for Water Conservation Systems

Individuals who file either of these new forms will have to mail their returns to AZDOR due to attachments which are required by statute.

PATs Testing Scenarios

There will be ten PATs scenarios for 2007. The scenarios are designed to be used independently from the federal scenarios. Unlike the IRS, AZDOR will not allow you to compose your own tests.

AZ8453 & AZ8879

We have added check boxes to the AZ8453 and AZ8879 to designate whether the return results in a refund or in an amount due. This is in addition to last year’s changes involving the direct deposit/ direct debit bank information, which we have retained.

Dependents and Parent/Ancestor Exemptions

The paper forms, with the exception of the 140A and 140EZ, each have space for three dependents in 2007. This uniformity allows the 4th through 14th dependents to be entered on the Schedule 1 without the necessity of entering “see attached” in the field for the 3rd dependent. The same is true for the Parent/Ancestor exemptions two, three, and four. It will no longer be necessary to insert the words “see attached” when claiming more than one Parent/Ancestor exemption.

Arizona Schedule 1 and Arizona Schedule 2

In 2006 the Schedule we used a “fill-in-the-blank” approach for “Other Additions to Income” and “Other Subtractions from Income.”

For 2007, the required (or allowable) Additions and Subtractions are labeled and ordered just as they are in the Form 140 instruction booklet. This will eliminate the need to “fill-in” the item to be added or subtracted in almost all cases. Please see figure 2 in the Appendix (page 17) for more information.

Schedule 2 still allows for a “Freeform” statement of up to 3,500 alpha/numeric characters.

Veterans Fund

Field 565 is now provided to make an election to contribute to this fund.

New Address for Form 140V

Form 140V will now be mailed to:
Arizona Department of Revenue
AZ-140V
P O Box 29085
Phoenix, AZ 85038-9085

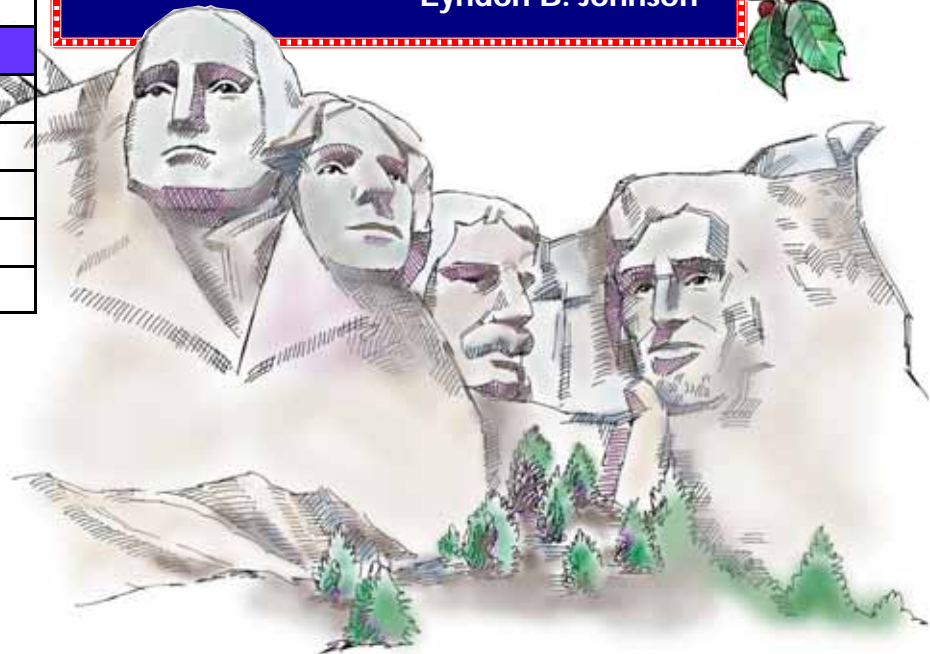
Holiday Closures

The Arizona Department of Revenue is closed on the following holidays:

Late 2007
Monday, September 3, 2007
Monday, October 8, 2007
Monday, November 12, 2007
Thursday, November 22, 2007
Tuesday, December 25, 2007
Early 2008
Tuesday, January 1, 2008
Monday, January 21, 2008
Monday, February 18, 2008
Monday, May 26, 2008
Friday, July 4, 2008
Late 2008
Monday, September 1, 2008
Monday, October 13, 2008
Tuesday, November 11, 2008
Thursday, November 27, 2008
Thursday, December 25, 2008



"There are no problems we cannot solve together, and very few that we can solve by ourselves."
Lyndon B. Johnson



Section 3 – Program Introduction & Participation

*This publication provides information necessary for the development of software intended for use by businesses and individuals in electronically filing Arizona Individual Income Tax returns. Our goal is to maintain open lines of communication to assure the **success** of your software and the electronic filing program for the state of Arizona.*

You are invited to contact us with any question or comment you have regarding our electronic filing program.

- ▶ **Steve Lee, e-File Project Manager**
602 716-6514
- ▶ **Alven Brite, 2D Barcode Project Manager**
602-716-6912
- ▶ **Donna Muccilli, e-File Administrator**
602 716-6513

Email: efile@.azdor.gov

Mailing Address:

**Arizona Department of Revenue
Office of Electronic Filing, Room 100
1600 West Monroe Street
Phoenix, Arizona 85007-2650**

Web Address: www.azdor.gov

The Arizona Department of Revenue's website may be accessed for E-File updates including Publication AZ-1346A "Arizona Department of Revenue File Specifications and Record Layout", tax forms, form instructions and additional information covering a broad range of tax-related topics.

Application to Participate –

Completion of the Application to Participate is required by all software developers wishing to test with Arizona. The application can be found in Section 11 (Appendix) of this publication.

The application or information should be emailed. Receipt and acceptance of the required documentation identifies the developer as interested in participating in the federal/state electronic filing program for Arizona. It provides the opportunity to initiate developing, testing and obtaining software approval with the Arizona Department of Revenue. It does not represent acceptance of any software nor does it confirm the accuracy of any software developed. Refer to IRS Publication 1345 for information regarding acceptance and participation in the federal/state electronic filing program.

**"No idea is so antiquated
that it was not once
modern. No idea is so
modern that it will not
someday be antiquated."
— Ellen Glasgow**

Section 4 – Software Requirements

Arizona participates in the federal/state electronic filing program, therefore any software developed must meet all federal and state requirements. The following guidelines compliment IRS and Arizona publications and are not intended to alter or amend the IRS requirements.

1. Comply with all federal and state requirements specified in the following publications:
 IRS Publications 1345 and 1345A.
 IRS Publication 1346.
 Arizona Handbook AZ-1345.
 Arizona Publication AZ-1346 – Software Developer’s Manual Tax Year 2007.
 Arizona Publication AZ-1346A – Record Layout & File Specifications Tax Year 2007.
2. Adhere to all federal and state procedures, requirements and specifications; successfully complete all testing.
3. Develop tax preparation software in accordance with statutory requirements and Arizona Department of Revenue return preparation instructions.
4. Provide accurate Arizona income tax returns in correct electronic format for transmission with the Federal return to the Internal Revenue Service Center.

5. Software is to be capable of producing a printed copy of the complete filing for the Electronic Return Originator (ERO) and/or taxpayer.
6. Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate or invalid return information.
7. Developed software is not to support electronic filing (transmission) of any form not approved for electronic filing by the Arizona Department of Revenue.
8. Developed software must prevent electronic transmission of returns and/or supporting documents or schedules not approved for electronic filing by the Arizona Department of Revenue. This is inclusive of those not supported for electronic filing as well as those supported but not successfully tested and approved by the Arizona Department of Revenue.

**“The United States has to move very fast to even stand still.”
 — John F. Kennedy**

Section 5 – Forms Available for Electronic Filing

The Arizona Department of Revenue's *External Services and Special Projects Division* **must approve Arizona substitute tax forms** included in software. Direct inquiries and requests for tax form approval to:

Mailing Address:

**Forms Approval – Room 810
Arizona Department of Revenue
1600 West Monroe
Phoenix, Arizona 85007-2650**

Contacts: Bob Williams Sharyn Zamora

Voice: 602-716-6801 602-716-6798

Email: bwilliams@azdor.gov
szamora@azdor.gov

Fax: 602-716-7995

Primary Tax Forms -

Both refund and payment due returns may be filed electronically. The primary personal income tax returns available for electronic filing consist of the following form types:

- 140 – Resident Personal Income Tax Return
- 140A – Resident Personal Income Tax Return (Short Form)
- 140EZ – Resident Personal Income Tax Return (Easy Form)
- 140PY – Part-Year Resident Personal Income Tax Return
- 140NR – Nonresident Personal Income Tax Return

Supporting Forms -

Supporting forms available for electronic filing that supplement the primary tax forms consist of the following types. These forms **MUST** be transmitted when required/utilized for return preparation and filing.

- Federal 1040 Schedule A – Itemized Deductions
- 140 Schedule A – Arizona Itemized Deduction Adjustments
- 140PY A(PY) – Itemized deductions for Part-Year Resident

140PY A(PYN) – Itemized deductions for Part-Year Resident with Nonresident Income

140NR A(NR) – Itemized deductions for Nonresident

131 – Claim for Refund on Behalf of the Deceased Taxpayer

202 – Personal Exemption Allocation Election

221 – Underpayment of Estimated Tax by Individuals (See Section 8 for Calculation Criteria)

Credit Forms –

Arizona credit forms available for electronic filing consist of the following types. These forms **MUST** be transmitted when they are utilized or required for return preparation and filing.

301 – Nonrefundable Individual Tax Credits and Recapture

302 – Defense Contracting Credit

304 – Enterprise Zone Credit

305 – Environmental Technology Facility Credit

306 – Military Zone Reuse Credit

307 – Recycling Equipment Credit

308-I – Credit for Increased Research Activities

310 – Credit for Solar Energy Devices

312 – Agricultural Water Conservation System Credit

315 – Pollution Control Credit

319 – Credit for Solar Hot Water Heater Stub Outs and Electrical Vehicle Recharge Outlets

320 – Credit for Employment of TANF Recipients

321 – Credit for Contributions to Charities That Provide Assistance to the Working Poor

322 – Credit for Fees Paid to Public Schools

323 – Credit for Contributions to School Tuition Organizations

325 – Agricultural Pollution Control Equipment Credit

331 – Credit for Donation of School Site

332 – Healthy Forest Enterprise

333 – Credit for Employing National Guard Members

334 – Credit for Motion Picture Production Costs

336 – Credit for Solar Energy Devices Commercial and Industrial Applications

Federal Income statements –

The following forms should accompany the Arizona transmission in all instances in which they occur on the federal return: Form W-2, and Form 1099R. Refer to the federal specifications for layout information.

Community Property Allocation Record –

For Tax Year 2007, the federal Allocation Record must be present with the Arizona return when filing status 3 (Married Filing Separate) is selected and the mailing address is Arizona or any other community property state. Also, field 325, position 78 (Community Property Allocation Record) must be "Y". If mailing address is a non-community property state, the ALLOC (Community Property Allocation Record) is not required and field 325, position 78 must be "N".

Forms used exclusively for Electronic Filing –

SIGNATURE DOCUMENTS:

One of the following forms is required for electronic filing. They are to be retained by the ERO (or in some instances by the taxpayer) and are not to be mailed until specifically requested by the AZDOR.

AZ-8453 Arizona Individual Income Tax Declaration for Electronic Filing – This form is the default signature form for e-File. The taxpayer must review their return and sign Form AZ-8453 before the return is electronically transmitted. Form AZ-8453 (commonly referred to as the signature document) authenticates the return and authorizes the ERO to electronically transmit the return. It also authorizes the ERO to make certain inquiries into the status of the transmission and return on behalf of the taxpayer. This document must be retained by the ERO for a period of 4 years from the time the return is filed. If the taxpayer's return is "self-prepared" or prepared by a VITA or TCE volunteer, the taxpayer will retain the AZ-8453 with the rest of their tax documents for at least 4 years.

AZ-8879 E-File Signature Authorization Form –

In some cases a taxpayer may wish to electronically sign the state return, but is unable or unavailable to return to the ERO's office to sign the electronically prepared state return. Form AZ-8879, (E-File Signature Authorization Form) authorizes the ERO to enter a PIN signature on behalf of the taxpayer(s). The taxpayer(s) must review their return and sign this form before the return can be electronically transmitted. In this instance the AZ-8879 will act as a substitute for the AZ-8453 and the document must be retained by the ERO for a period of 4 years from the time the return is filed.

AZ-140V Arizona Individual Income Tax Payment Voucher for Electronic Filing

– When the Arizona return results in a balance due (field 585 of the formatted record), the AZ-140 V is to be produced in hardcopy form with all applicable fields completed. A taxpayer reminder should be provided stating it is necessary to pay any amounts owed by April 15, 2008 to avoid penalty and interest.

Payment together with the AZ-140V is to be mailed to:

**Arizona Department of Revenue
AZ-140V
P.O. Box 29085
Phoenix, Arizona 85038-9085**



ALERT:

Form 309 — Credit for Taxes Paid to Other States or Countries — although previously allowed for e-File, will not be allowed for tax year 2007.

Section 6 – Exclusions From Electronic Filing

The following form and types of returns are **excluded** from Arizona E-File program:

1. Forms not listed under Section 3, "Returns Available for Electronic Filing"
2. Any year other than Tax Year 2007
3. Non-calendar year returns
4. State returns having a different "Federal Adjusted Gross Income" than that provided on the federal return
5. State returns that include or are filed on behalf of a deceased taxpayer by someone other than the surviving spouse
6. Amended returns for all tax years including 2007
7. Estimated Payments
8. Fiduciary Returns
9. Credit Forms 309D, 309PY, 309NR, and 309R
10. Credit Form 338
11. Credit Form 339

Section 7 – PATs Testing

Testing of software developed for electronic filing is mandatory. All software must be tested using state scenarios. A completed Application to Participate must be submitted to efile@azdor.gov **before** Arizona will accept test transmissions.

Developers will be given formal confirmation when software has been successfully tested for electronic filing. Only approved software may be released and distributed by the developer. Specifications, record layouts and test scenarios are available on the Arizona Department of Revenue website www.azdor.gov. Test scenarios will not utilize Federal PATs data. Arizona's tests are developed independent of Federal testing. Testing is to include retrieval of state acknowledgements.

It may not be necessary to submit test returns for all test scenarios. For details involving scenario adjustments if your software will not be supporting all items and forms call the Office of Electronic Filing at:

602-716-6514 or
602-716-6912.



Any developer wishing to conduct testing in addition to the scenarios supplied and required by the Arizona Department of Revenue must obtain approval to do so prior to test submission.

NOTE: Approval of software for electronic filing **does not** include approval of any form developed/produced for hardcopy submission to the Arizona Department of Revenue. The External Services and Special Projects Division of the Department of Revenue must approve all Arizona tax forms. Refer to Section 4.

The Arizona Department of Revenue strives to approve software applications in a timely fashion. Occasionally a test will need to be reviewed more than once to assure that our standards are met. This, combined with a late submission of test materials, may cause delays in approving your software. To avoid such delays, the Arizona Department of Revenue encourages developers to submit their tests by January 5, 2008 in order to complete the approval process prior to the beginning of the live e-File transmission date.

Section 8 – Error Detection and Notification

Error Detection

The Arizona Department of Revenue will immediately notify the developer when it detects a software problem or error. Likewise, software developers are required to immediately notify the department of problems or errors associated with the software or its use. Such notifications are to be made by e-mailing the Office of Electronic Filing staff at:

☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆
☆☆ **efile@azdor.gov** ☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆

When a software error is identified, it is the responsibility of the software developer to immediately notify their user population, correct the problem, and expeditiously distribute the appropriate software revision (correction) to their clients. Additionally, the Arizona Department of Revenue is to receive immediate notification of all software errors and problems. The Department is to be advised when corrections are made and supplied with the related software version number and release date. The department must be kept advised of all software versions (identification number and distribution date) distributed to the E-File community.

Section 9 – State Acknowledgements

The Arizona Department of Revenue utilizes the federal state acknowledgement program.

The Arizona Department of Revenue also utilizes a 120-byte acknowledgement file for the 2007 tax year. The record layout for the 120-byte record can be found in "Arizona 120-Byte Acknowledgement Record for Tax Year 2007". NOTE: By including the Arizona acknowledgement process in the software, the Arizona Department of Revenue does not intend to restrict distribution of software to EROs transmitting directly to IRS.

The Arizona Department of Revenue makes no post-retrieval alterations to the acknowledgement record.

The purpose of the state acknowledgement is to confirm the Arizona Department of Revenue successfully received a transmitted return. It is not intended to convey or indicate that the received return is accurate or is error-free.

Arizona uses an "Accepted" or "Rejected" acknowledgement system.

- An "Accepted" acknowledgement indicates the electronic return was received and successfully completed the pre-entry validation process. No further action is forthcoming regarding the transmission.
- A "Rejected" acknowledgement indicates the electronic return was received, but failed to successfully complete the pre-entry validation process. The "Received-Rejected" acknowledgement will contain an error code indicating the error causing the rejection. The error condition must be corrected, after which the return can be re-transmitted as a "State-Only" return, or submitted as a paper return. Error codes and their descriptions are referenced in document "Arizona E-File Validation Errors for Tax Year 2007"

‡ (<http://www.azdor.gov/Eservice/pdf/2007ValidationErrorsPublicEdition.pdf>)

‡ Should be available by 10/26/2007

Section 10 – Layout Instructions

The following provides instructions pertinent to AZ 1346A. Please direct any questions to us by utilizing the contact list provided in Section 1 of this manual. Note: Arizona Electronic Signature appears at the end of this section.

GENERIC RECORD

All numeric fields in the *Generic Record* are to be right justified with zeros to the left of the significant digits. All digits / numerics must be entered.

Direct Debit /Direct Payment/Electronic Funds Withdrawal

Field 0024, 0027, 0028, 0030, 0035, 0040/ 0048.

Direct Debit is not offered / provided on paper returns for Tax Year 2007. If an electronically filed return is rejected and a paper return is required, the direct debit is voided. The AZ 140V payment form must accompany payment. Failure to include the AZ 140V may delay proper payment application.

Hardcopy documentation for the ERO / Taxpayer detailing the Direct Debit election is required. Information is to include the taxpayer(s) name and SSN(s), debit amount, routing number, account number and type, ERO (EFIN) and date.

Arizona strictly prohibits a Direct Payment/Direct Debit date later than April 15, 2008 on a return that is transmitted before April 15, 2008. Timely filed returns with a Direct Payment/ Direct Debit date later than April 15, 2008 will be rejected. If a date is not elected on a return transmitted before April 15, 2008 or if a return is transmitted

on or after 20080415, the date defaults to the original transmission date.

Taxpayers may elect a future date if the return is transmitted **before** April 15, 2008. That "Future Date" may not exceed "20080415". If a "Future Date" is not elected or when a return is transmitted on or after April 15, 2008; this date is to default to the transmission date. If a non-banking day is selected, the withdrawal will occur on the next banking day.

Direct Debits may be for an amount less than the full amount due. A billing will automatically be generated for any difference, in addition to any corresponding penalties and/or interest.

Direct Deposit.

Field 0024, 0030, 0035, 0040/0048.

Direct Deposit is offered / provided on paper returns for tax year 2007. Related information is to be included on the return as documentation of the election.

Arizona Electronic Signature

When a taxpayer elects to participate in the federal electronic signature program and uses a PIN, they may also elect to utilize the same signature authentication (PIN) for their state return.

If using the federal PIN for the Arizona return there will be a "Y" in Field 305, position 59 (and the federal pin must be displayed in field(s) 0120 and/or 0125). If a PIN was not used for the federal

return signature, OR if the taxpayer elects not to use the federal PIN to sign the Arizona return, then Field 305, position 59 will be "N" or blank (and nothing may be displayed in field(s) 0120 and/or 0125).

If the Arizona return is transmitted as a "SO" (State Only) return, the federal PIN may **not** be elected for signing the Arizona return.

ALPHA NUMERIC SECTION

Field 0305 through Field 0330

All numeric fields or numeric field segments must be zero/blank-filled when there is no value or entry for that field.

All alpha and alpha/numeric field must be blank filled if no entry.

Form Number should be left justified with spaces to the right of the form number (e.g. '140bbb', '140Pyb').

Field 0305

Position 13 – "Filing Status"

Field segment size is 1 numeric character. Only "1" (Married Filing Joint), "2" (Head of Household), "3" (Married Filing Separate), or "4" (Single) are valid.

Positions 29 through 40 - "Credit Boxes"

Field segment size is 12 numeric characters. Up to 4 credits may be identified, each consisting of 3 characters. If there are no credits involved, 3 "zeros" must be entered for each credit totaling 12 numeric characters for that field segment. Only those credit types supported

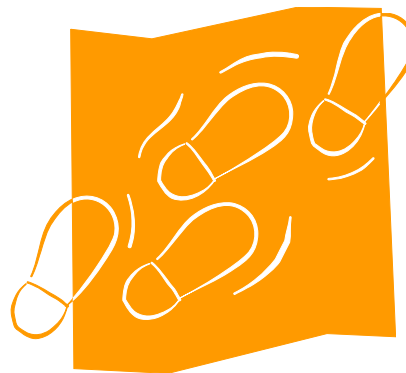
for Arizona Electronic Filing are valid entries. A valid entry can be any combination of 302, 304, 305, 306, 307, 308, 309, 310, 312, 315, 319, 320, 321, 322, 323, 325, 331, 332, 333, 334, 336, 338, 339 or "000" totaling not more or not less than 12 characters. Example: Given credit 309; the field segment would be "309000000000".

Positions 65-72 - AZ Residency "From/To" Date.

Field segment size is 8 numeric characters (MMDDMMDD) and indicates the beginning & ending month and day dates the taxpayer was an Arizona resident, only applicable to Form 140PY.

Positions 73-80 - Other States of Residency.

Utilize standard 2 letter state abbreviations (up to 4 states may be entered). These field positions are only applicable to Form 140PY.



Please direct any questions to us by utilizing the contact list provided in Section 3 of this manual.

SIGNED NUMERIC SECTION

Field 0440

"Clean Election Reduction".

– See worksheet in Instruction Booklets for 140, 140A, etc.

Value cannot be greater than \$5 for Single, Head of Household and Married Filing Separate. Field 305, position 46 must be "Y". Field 305, position 47 must be "N" or blank for these filing statuses.

For Married Filing Joint the field value cannot be greater than \$5 if either Field 305, position 46 or 47 is "Y". If both position 46 and 47 are "Y" the value of Field 0440 may be up to \$10.

Field 0460

"Tax After Family Tax Credit" reduction. Value cannot be less than zero, only valid on AZ140A.

Field 0470

"Balance of Tax". Value cannot be less than zero.

Field 0495

"PTC Credit". Form 140PTC is not offered for Arizona E-File. Field is to be zero-filled.

Field 0525

"Aid to Education Contrib." A contribution to the Aid to Education Fund can only be made for the full amount of Field 0520 (refund produced by the Overpayment), or Field 0530 when the taxpayer elects to apply a refund portion to "Next Year's Estimated Pmt" (field 0525). When this contribution is elected, no other contribution can be made.

Also note: No penalties or interest may be paid from the overpayment if this contribution is elected.

Field 0525 through Field 0570

Contributions - Various. Total amount of a contribution or a combination of contributions cannot exceed the amount of the Overpayment produced by the E-File return (Field 0520). However, if the taxpayer elects to make a payment through Direct Debit (Electronic Funds Withdrawal), they may contribute:

- › an amount equal to the amount in Field 0530 plus the Direct Debit amount when a refund return or,
- › an amount equal to the Direct Debit amount less the amount in Field 0515 (Tax Due) when a tax due return.

Field 0595

"Amount Owed". When this field has an amount greater than "Zero" and a Direct Debit payment *in full* is not elected; Arizona Form 140V is to be generated for the taxpayer with the instruction to send the form together with their payment to AZDOR. The taxpayer is also to be advised payment must be postmarked by the due date, otherwise penalties and interest will be charged.

UNFORMATTED RECORD

Arizona Schedules A, ANR, APY, APYN; Form 131, all Credit Forms (series 300 Forms), Form 202 (Personal Exemption Allocation) Schedule 1 and Schedule 2, and Form 221 (Underpayment of Estimated Taxes) are part of the Unformatted Record. In addition, the W-2 & 1099 series forms, the federal Schedule A and the federal Allocation Record (ALLOCR) are to be transmitted as part of the Unformatted Record.



1600 W Monroe Street
Phoenix AZ 85007-2650
Phone: 602-716-6514
Fax: 602-716-7997
E-mail: efile@azdor.gov

Arizona
Department
of Revenue

Our web address is:
www.azdor.gov

FORM 221 PENALTY CALCULATION CRITERIA

The decision to automatically calculate the penalty for Underpayment of Estimated Tax is to be based on the following criteria and is calculated against the Arizona Adjusted Gross Income appearing in Field 0405 of the Generic Record.

For a filing status of **Single, Married-Filing Separate** or **Head of Household**:

If the Arizona Gross Income (AGI) is NOT more than \$75,000, no penalty will be assessed.

If the Arizona Gross Income (AGI) is MORE than \$75,000, *Form 221 must be completed* to determine the penalty amount (if applicable).

For a filing status of **Married-Filing Joint**:

If the Arizona Gross Income (AGI) is NOT more than \$75,000 for *each* spouse, NO penalty will be assessed.

If the Arizona Gross Income (AGI) is MORE than \$75,000 for *either* spouse, *Form 221 must be completed* to determine the penalty amount (if applicable).

NOTE: Due to exceptions in Arizona law, the tax preparer or taxpayer may be required to calculate this penalty exclusive of the forgoing. Software is to permit and provide for this exception. This form, when utilized, must be transmitted with the return.



Section 11 – Error Codes

Error Description and Logic

Arizona e-File Validation Errors for Tax Year 2007

Error Categories

200 – 299 Field Format, Content and Relationship Errors

900 – 999 Fatal Errors: Duplicate Return errors, E-File Administration and Exclusions

The following error descriptions are based upon the 2007 Tax Year Record Layout. This signed-off error list identifies the validation checks to be included in the e-File Validation program for 2007 Tax Year.

Error ID	Error Description	Form No.	Field #	Logic/Relationship	Severity Code ¹	Implement (Y/N)	Change?
0200	Each field can only contain type of data specified in record layout • Non numeric value in numeric field	All Forms	All numeric fields	Is Numeric(7) test	2 (MR)	Y	
0201	Field sequence numbers within an unformatted record must be valid for that record	All non 140 forms – unformatted records	All	Fields for form/records must be defined in AZ DOR File Specification and Record Layout	2 (MR)	Y	
0202	The Record ID (Field 0010) of an unformatted record contains an invalid entry. • Taxpayer ID number on a secondary form (unformatted record) does not match the Primary SSN (Field 0003) of tax form	All non 140 forms – unformatted records	0010, 0003	Primary SSN in Field 0010 of unformatted record should match that in Field 0003 of generic record.	2 (MR)	Y	description
0203	Tax Form – Incomplete direct debit If any of the following direct debit fields are significant, all must contain valid entries: Field 0027 must contain a valid date (see error code 911). Field 0028 must contain an amount that is equal to or less than Field 0590. Direct debit indicator (Field 0024) must contain "2". Routing Transit Number (Field 0030) must contain nine numeric characters and Account Number (Field 0035) must be nonzero. Checking Account Indicator (Field 0040) OR Savings Account Indicator (Field 0048) must equal "X" but both cannot equal "X".	All 140's	0024, 0030, 0028, 0030, 0035, 0040, 0048	If any of the direct debit fields (Fields 0024, 0027, 0028, 0030, 0035, 0040 or 0048) are non-blank, all fields must contain valid entries: Direct deposit/debit indicator must contain 2, a valid date and debit amount must be present, routing transit number must contain nine numeric characters, account number must be nonzero and either checking or savings account field (but not both) must contain "X"	2 (MR)	Y	
0204	Tax Form – Incomplete direct deposit If any of the following direct deposit fields are significant, all must contain valid entries: Direct deposit indicator (Field 0024) must contain "1". Routing Transit Number (Field 0030) must contain nine numeric characters and Account Number (Field 0035) must be nonzero. Checking Account Indicator (Field 0040) OR Savings Account Indicator (Field 0048) must equal "X" but both cannot equal "X".	All 140's	0024, 0030, 0035, 0040, 0048	If any of the direct deposit fields (Field 0024, 0030, 0035, 0040 or 0048) are non-blank, all fields must contain valid entries: Direct deposit/debit indicator must contain 1, routing transit number must contain nine numeric characters, account number must be nonzero and either checking or savings account field (but not both) must contain "X"	2 (MR)	Y	
0205	Primary last name (Field 0060, position 1) and first name (Field 0070, position 1) are required fields.	All 140's	0060, 0070	For all 140 form types, primary first and last name cannot be blank.	2 (MR)	Y	
0206	Spouse last name (Field 0065, position 1), first name (Field 0070, position 18) and Spouse SSN (Field 0055) are required fields when Field 0305, position 13, filing status is: 1 – Married filing joint return.	All 140's	0055, 0065, 0070, 0305	For all 140 form types, if filing status is 2, 3, or 4, Spouse SSN must be blank (or all zeroes) and Secondary Last Name and First Name must be blank.	2 (MR)	Y	
0207	Spouse last name (Field 0065, position 1), first name (Field 0070, position 18) and Spouse SSN (Field 0055) must be blank when Field 0305, position 13, filing status is: 2 – Head of Household, 3 – Married Filing Separate, or 4 – Single.	All 140's	0055, 0065, 0070, 0305	For all 140 form types, if filing status is 2, 3, or 4, Spouse SSN must be blank (or all zeroes) and Secondary Last Name and First Name must be blank.	2 (MR)	Y	
0208	Form 140EZ – Filing Status (Field 0305, position 13) can only be: 1 – Married filing joint return, or 4 – Single.	140EZ	0305	If Form 140EZ, filing status must be 1 or 4	2 (MR)	Y	
0209	Forms 140, 140A, 140PY and 140NR – Filing status (Field 0305, position 13) can only be: 1 – Married filing joint return, 2 – Head of Household, 3 – Married filing separate, or 4 – Single.	140, 140A, 140PY, 140NR	0305	For Forms 140, 140A, 140PY and 140NR, filing status must be 1, 2, 3 or 4.	2 (MR)	Y	
0210	Forms 140, 140A, 140PY and 140NR – Exemption for Age 65 or over (Field 0305, position 14) cannot be greater than 2	140, 140A, 140PY, 140NR	0305	For Forms 140, 140A, 140PY and 140NR, Exemption for Age 65+ can only be 0 (or blank), 1 or 2.	2 (MR)	Y	
0211	Forms 140, 140A, 140PY and 140NR – Exemption for Blind (Field 0305, position 15) cannot be greater than 2	140, 140A, 140PY, 140NR	0305	For Forms 140, 140A, 140PY and 140NR, Exemption for Blind can only be 0 (or blank), 1 or 2.	2 (MR)	Y	
0212	"Date of Return" in Mathematical Field 2 (Field 0305, position 20) is either invalid, (ex: 20070220, or 022807, etc.) or a future date.	All 140's	0305	"Date of Return" must be less than or equal to current date and be in the valid format.	2 (MR)	Y	description
0213	Forms 140, 140PY and 140NR – Standard/Itemized Deduction flag (Field 0305, position 28) must be 5 or 1	140, 140PY, 140NR	0305	For Forms 140, 140PY and 140NR, standard/itemized flag must be 5 or 1	2 (MR)	Y	
0214	Forms 140A and 140EZ – Standard/Itemized Deduction flag (Field 0305, position 28) must be 5.	140A, 140EZ	0305	For Forms 140A and 140EZ, standard/itemized flag must be 5	2 (MR)	Y	

Arizona e-File Validation Errors for Tax Year 2007

Error ID	Error Description	Form No.	Field #	Logic/Relationship	Severity Code ¹	Implement (Y/N)	Change?
0215	"Credit Boxes" in Alphabetic Field 2 (Field 0305, position 39) contain invalid entry. "Valid entry" = twelve numerals in any combination of 302, 304, 305, 306, 307, 308, 310, 312, 315, 319, 320, 321, 322, 323, 325, 331, 332, 333, 334, 336	140, 140PV, 140NR	0305	For Forms 140, 140PV and 140NR, credit boxes can only be combination of "000", "302, 304, 305, 306, 307, 308, 310, 312, 315, 319, 320, 321, 322, 323, 325, 331, 332, 333, 334, 336, or "000". When field 0460 is nonzero, at least one box must contain valid, nonblank, nonzero form number.	2 (MR)	Y	valid form numbers have changed
0216	"Credit Boxes" in Alphabetic Field 2 (Field 0305, position 39) and Field 0460 (Subtotal Credits) are invalid for Forms 140A and 140EZ and may not contain any entry.	140A, 140EZ	0305, 0460	For Forms 140A and 140EZ These fields are invalid and may not contain any entry	2 (MR)	Y	
0217	Forms 140, 140NR and 140NR - Political Party entry (Field 0305, position 41) must be: 0, 1, 2, 3, or blank.	140, 140A, 140PV, 140NR	0305	For Forms 140, 140A, 140PV and 140NR, Political Party must be 0, 1, 2, 3 or blank.	2 (MR)	Y	
0218	Forms 140, 140PV and 140NR - "Annualized/Other" box (Field 0305, position 42) may not be "Y", unless "Form 221" (Field 0305, position 44) is "Y". If "Form 221" (Field 0305, position 44) is "N" or blank, then, "Annualized/Other" box (Field 0305, position 42) must be "N" or blank.	140, 140PV, 140NR	0305	For Forms 140, 140PV and 140NR "Annualized/Other" cannot be Y unless "Form 221" is also "Y". If "Form 221" is "N" or blank, "Annualized/Other" must be "N" or blank.	2 (MR)	Y	
0219	Forms 140, 140PV and 140NR - "Farmer/Husband" box (Field 0305, position 43) must be "Y", "N" or blank.	140, 140PV, 140NR	0305	For Forms 140, 140PV and 140NR, "Farmer/Husband" must be Y, "N" or blank.	2 (MR)	Y	
0220	Forms 140, 140PV and 140NR - "Form 221" box (Field 0305, position 42) must be "Y", "N" or blank.	140, 140PV, 140NR	0305	For Forms 140, 140PV and 140NR, Form 221 must be Y, "N" or blank.	2 (MR)	Y	
0221	"Extension code" (Field 0305, position 45) must be "F" or blank	All 140's	0305	Extension code value must be "F" or blank	2 (MR)	Y	
0222	If "Clean Election Fund Tax Reduction" (Field 0445) is significant, at least one the following must contain "Y": Filer "Clean Election Fund Tax Reduction" flag (Field 0305, position 46) or Spouse "Clean Election Fund Tax Reduction" flag (Field 0305, position 47).	All 140's	0305, 0445	When field 0445 is nonzero, Filer Clean Election or Spouse Clean Election (or both) must contain "Y"	2 (MR)	Y	
0223	"Spouse Clean Election Fund Tax Reduction" (Field 0305, position 47) must not be "Y" when return filing status (Field 0305, position 13) is something other than "1" - Married Filing Joint Return.	All 140's	0305	If Spouse Clean Election is Y, filing status for return must be "1" - Married filing joint.	2 (MR)	Y	
0224	"Clean Election Fund Tax Reduction" (Field 0465) cannot be greater than "5" unless a joint return is filed and both elect the "Clean Election Fund Tax Reduction" in which case Field 0445 cannot be greater than "10".	All 140's	0465	Field 0465 may only be \$5 or less (or \$10 or less on a jointly filed return where both taxpayer and spouse make the election) for the "Clean Election Fund Tax Reduction".	2 (MR)	Y	
0225	Forms 140, 140A, 140EZ - Residency Status (Field 0305, position 48) Code must be "0" - Arizona resident.	140, 140A, 140EZ	0305	For Forms 140, 140A, 140EZ, Residency Status must be 0 (zero).	2 (MR)	Y	
0226	Forms 140, 140NR and 140PV - NSA Penalty Box (Field 0305, position 49) must be "Y", "N" or blank	140, 140NR and 140PV	0305	For Forms 140, 140NR and 140PV, NSA Penalty Box must be Y, "N" or blank	2 (MR)	Y	
0229	Form 140A - SLD deduction (Field 0405) must be \$4373 or \$8745	140A	0405	If Form 140A, SLD deduction must equal 4125 or \$250	2 (MR)	Y	amount
0230	Form 140EZ - Total deduction and personal exemption (Field 0415 must be \$4733 or \$12945)	140EZ	0415	If Form 140EZ, Total Deduction/Personal Exemption must equal 6347 or 12694	2 (MR)	Y	amount
0231	"Tax After Family Tax Credit Reduction" (Field 0450) cannot be less than zero	140A	0450	Tax Minus Credits must be greater than or equal to zero	2 (MR)	Y	
0232	"Balance of Tax" (Field 0470) cannot be less than zero	All 140's	0470	Balance of Tax must be greater than or equal to zero	2 (MR)	Y	
0233	Primary SSN (Field 0003) was used as a Secondary SSN, or Secondary SSN (Field 0055) was used as a Primary SSN, on an accepted F file return with filing status other than 1 - Married Filing Joint Return.	All 140's	0003, 0055, 0305	If State Only Indicator (Field 0019) is "50", look for primary SSN in secondary SSN field and secondary SSN in primary SSN field in table tblVidHeaders. If return filing status is not Married filing joint, conditionally accept return.	2 (MR)	Y	
0234	Primary SSN (Field 0003) was used as a Secondary SSN, or Secondary SSN (Field 0055) was used as a Primary SSN, on another return is in process by AZ DOR.	All 140's	0003, 0055	If State Only Indicator (Field 0019) is "50", look for primary SSN in secondary SSN field and secondary SSN in primary SSN field in table tblVidHeaders.	2 (MR)	Y	
0235	Telephone number provided is not in required format.	All 140's	0115	Phone number format must be one of the following formats (or Blank): nnn-nnn-nnnn, nnnnnnnnn, nnnnnnnnnnn	2 (MR)	Y	

Arizona e-File Validation Errors for Tax Year 2007

Error Description and Logic

Error ID	Error Description	Form No.	Field #	Logic/Relationship	Severity Code ¹	Implement (Y/N)	Change?
0236	Forms 140, 140A, 140PY and 140NR -- If Field 0370 is significant then "Exemption for Age 65 or over" (Field 0305, position 14) cannot be blank.	140, 140A, 140PY, 140NR	0305, 0370	If Field 0370 = 2100, then Field 0305, position 14 must = 1. If Field 0370 = 4200, then Field 0305, position 14 must = 2 (valid only for filing status 1, MF).	2 (MR)	Y	
0237	Forms 140, 140A, 140PY and 140NR -- If Field 0370 = 2100, then Field 0315, position 61-68 must = 19420101. If Field 0370 = 4200, then Field 0315, position 61-68 must = 19420101 (MF only).	140, 140A, 140PY, 140NR		If claiming exemption for over 65 then one or both birthdates (primary, spouse) must be on or before 01/01/1942.	2 (MR)	Y	
0238	Forms 140, 140A, 140PY and 140NR -- If Field 0375 is significant then "Exemption for Blind" (Field 0305, position 15) cannot be blank.	140, 140A, 140PY, 140NR	0305, 0375	If Field 0375 = 1500, then Field 0305, position 15 must = 1. If Field 0375 = 3000, then Field 0305, position 15 must = 2 (valid only for filing status 1, MF).	2 (MR)	Y	

¹Severity Code Definitions:
 2 = Manual Review Required: the error results in the return being manually reviewed for acceptance or rejection. (MR).
 3 = Fatal: the error causes the return to be rejected (F).

Error Categories

200 - 299	Field Format, Content and Relationship Errors
900 - 999	Fatal Errors: Duplicate Return errors, E-File Administration and Exclusions

The following error descriptions are based upon the 2007 Tax Year Record Layout. This signed-off error list identifies the validation checks to be included in the e-File Validation program for 2007 Tax Year.

Error ID	Error Description	Form No.	Field #	Logic/Relationship	Severity Code ^a	Implement (Y/N)	Change?
0900	Primary SSN (Field 0303) was used as a Primary SSN more than once on E-filed returns.	All 140's	0303	If State Only Indicator (Field 0319) is "SO", look for primary SSN in primary SSN field in tblValidHeaders and in tblInvalidHeaders for conditionally accepted return.	3 (F)	Y	
0901	Secondary SSN (Field 0055) was used as a Secondary SSN more than once on E-filed returns.	All 140's	0055	If State Only Indicator (Field 0319) is "SO", look for secondary SSN in secondary SSN field in tblValidHeaders and in tblInvalidHeaders for cond. accepted return.	3 (F)	Y	
0902	Primary SSN (Field 0303) was used as a Secondary SSN, or Secondary SSN (Field 0055) was used as a Primary SSN, on an accepted E-file return with filing status 1 - Married Filing Joint Return.	All 140's	0303, 0055, 0305	If State Only Indicator (Field 0319) is "SO", look for primary SSN in secondary SSN field and secondary SSN in primary SSN field in tblValidHeaders for return with filing status Married Filing Joint.	3 (F)	Y	
0903	Return from "turned off" EFO	n/a	0023	Check latest status for EFIN in tblEFOAcceptanceStatus	3 (F)	Y	
0904	Return from unknown software developer	n/a	0300	Look up software developer in tblSWDevDevelopers	3 (F)	Y	
0905	Return from "turned off" software developer	n/a	0300	Check latest status for developer in tblSWDevAcceptanceStatus	3 (F)	Y	
0906	Tax Form - "Tax Year Ending" can only be 2007 (Field 0305, position 01-04) and "Tax Month Ending" must be 12 (Field 0305, position 05-06)	All 140's	0305	"Tax Year Ending" must be 2007. "Tax Month Ending" must be 12	3 (F)	Y	Change Year
0907	E Signatures: If the federal pin is used to sign the AZ return, then Field 0305, position 59 is Y and the federal pin must be displayed in Field(s) 0120 and/or 0125. If not signing using the federal pin, then Field 0305, position 59 is N and Fields 0120 and 0125 are blank. If Field 0305, position 59 is N, and the PIN is in either Field 0120 or 0125 it would be an invalid e-signature.	All 140's	0305, 0120, 0125	If the federal pin is used to sign the AZ return, then Field 0305, position 59 is Y and the federal pin must be displayed in Field(s) 0120 and/or 0125. If not signing using the federal pin, then Field 0305, position 59 is N and Fields 0120 and 0125 are blank. If Field 0305, position 59 is N, and the PIN is in either Field 0120 or 0125 it would be an invalid e-signature.	3 (F)	N	
0908	Forms 140A and 140EZ - AZ Taxable Income (Field 0420) must be ≤ \$50,000	140A, 140EZ	0420	For Forms 140A and 140EZ, AZ Taxable Income can't be greater than \$50,000.	3 (F)	Y	
0909	Forms 140 and 140A - Property Tax Credit (Field 0500) must be zero. E-file not permitted if claiming property tax credit.	140, 140A	0500	For Forms 140 and 140A, Property Tax Credit must equal zero	3 (F)	Y	
0910	Forms 140, 140EZ and 140NR - If field 0305, position 49 is "Y" then an amount must be present in field 0575. The amount may not be zero.	140, 140EZ, 140NR		For Forms 140, 140NR and 140EZ, if the MSA Penalty Box is "Y", the Field 0575 must contain an entry greater than "0" (zero).	3 (F)	Y	NEW
0911	When Direct Debit Payment is indicated (Field 0024): For tax returns with a date of return (Field 0305, position 20-27) on or before April 15 of the current processing year, the requested Electronic Funds Withdrawal Date (Field 0027) cannot be later than April 15. or For returns filed after April 15, the direct debit date must be equal to the date of the return. For all returns: The Direct Debit date cannot be earlier than the date of the return.	All 140's	0024, 0027	When Direct Debit Payment is indicated ("2" in Field 0024): If date of return (Field 0305, positions 20-27) for a tax return is before April 15 of the current processing year, the requested Electronic Funds Withdrawal Date (Field 0027) cannot be later than April 15. or If date of return (Field 0305, positions 20-27) for tax return is after April 15, the direct debit date (Field 0027) must be equal to the date of the return.	3 (F)	Y	
0912	If Form 131 Flag (Field 0315, position 77) is "Y" or "S", indicating that a Form 131 is attached, the tax return filing status must be: "Married Filing Joint" (Field 0305, Position 13 = "1")	All 140's	0305, 0315	The Direct Debit Date cannot be earlier than the date of the return. If Form 131 Flag (Field 0315, Position 77) is "Y" or "S", indicating that a Form 131 is attached, the tax return filing status must be "Married Filing Joint" (Field 0305, Position 13 = "1")	3 (F)	Y	

Fatal Errors

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Issued: 8/27/2007

Arizona e-File Validation Errors for Tax Year 2007

Error ID	Error Description	Form No.	Field #	Logic/Relationship	Severity Code	Implement (Y/N)	Change?
0913	Form 131 - Form is incomplete or contains invalid entries.	131 All 140's	0025, 0062, 0068	Date of death (Field 0062 or 0068) must be between Jan 1, 2006 and Filing Date of Return. Decedent's SSN (Field 0030) must be valid format. Claimant's SSN (Field 0060) must be valid format.	3 (F)	Y	
0916	All to Education Donation (Field 525) must be equal to amount of overpayment (Field 526 (Field 510 on 140A)).	140, 140A, 140NR, 140PY	0525, 0526, 0510 on 140A	Donation cannot be less than Balance of Overpayment.	3 (F)	Y	
0917	Form 140, 140A, 140NR, and 140PY Filer (Field 0595) must be blank.	140, 140A, 140NR, 140PY	0595	Filer fields must be null or Zero Filled.	3 (F)	N	
0918	E-Signature - State-Only If State-Only Return (Field 0019) is indicated then Fields 0120 and 0125 and 0305 (position 59) are blank.	All 140's	0019, 0120, 0125, 0305	If Field 0019 is "SO" indicating state-only return, Fields 0120 and 0125 and 0305 (position 59) are blank.	3 (F)	N	
0919	Primary "Date of Birth" is incomplete or missing.	All 140's	0315, Position 61-68	Date of Birth - Must be CCYYMMDD	3 (F)	N	
0920	Secondary "Date of Birth" is incomplete or missing. Must be present when MFJ	All 140's	0305, Position 13 0315, Position 69-76	Date of Birth - Must be CCYYMMDD when MFJ	3 (F)	N	
0921	When "Subtotal of Credits" is greater than zero, at least one valid, nonblank, nonzero form number is required. "Valid Credit Forms are: 302, 304, 305, 306, 307, 308, 310, 312, 315, 319, 320, 321, 322, 323, 331, 332, 333, 334, 336, 340, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.	Valid Credit Numbers Changed	Y				
0922	When Filing Status = 3, Married filing separate (Field 0305, position 13), all of the following must be present: • "Spouse's Full Name" (Field 0325, position 44-68) • "Spouse SSN" (Field 0325, position 69-77)	140, 140NR and 140PY	0305, 0325	When a return is filed using filing status 3, MFS, all of the following must be present: • "Spouse's Full Name" (Field 0325, position 44-68) • "Spouse SSN" (Field 0325, position 69-77)	3 (F)	Y	
0923	When Filing Status = 3, Married filing separate (Field 0305, position 13), and the state of residence (Field 0095) is one of the following: AZ, CA, ID, LA, NM, NV, TX, WA, or WI; then the following must be present: • "Community Property Allocation Indicator" (Field 0325, position 78) must be "Y"; and • Copy of federal ALLOC must be transmitted.	All 140's	0125, 0305, Position 13	When Filing Status = 3, Married filing separate (Field 0305, position 13), and the state of residence (Field 0095) is one of the following: AZ, CA, ID, LA, NM, NV, TX, WA, or WI; then the following must be present: • "Community Property Allocation Indicator" (Field 0325, position 78) must be "Y"; and • Copy of federal ALLOC must be transmitted.	3 (F)	Y	
0924	Forms 140, 140PY and 140NR - If Estimated Payment/MSA Penalty (Field 0575) is significant, at least one of the following flags must contain "Y": "Form 221" Field 0305, position 44, or "MSA Penalty" Field 0305, position 49.	140, 140PY, 140NR	0575, 0305, Position 42 and 49	For Forms 140, 140PY and 140NR - If field 0575 is non-blank, zero (0) or greater, at least one of the following must contain "Y": "Form 221" Field 0305, position 44, or "MSA Penalty" Field 0305, position 49.	3 (F)	Y	
0925	Forms 140, 140PY and 140NR - If field 0305, position 42 is "Y" then a Form 221 must be transmitted and amount must be present in field 0575. The amount may be zero.	140, 140PY, 140NR	0575, 0305, Position 42	For Forms 140, 140PY and 140NR - If field 0305, position 42 is "Y", a Form 221 must be transmitted and an amount must be present in field 0575. The amount may be zero (0).	3 (F)	Y	
0926	Forms 140, 140PY and 140NR - If field 0305, position 49 is "Y" then an amount must be present in field 0575. The amount may not be zero.	140, 140PY, 140NR	0575, 0305, Position 49	For Forms 140, 140PY and 140NR - If field 0305, position 49 is "Y", an amount must be present in field 0575. The amount may not be zero (0).	3 (F)	Y	
0927	Form 140NR - Residency Status Code (Field 0305, position 48) must be: 1 - Nonresident, or 2 - Potential Non-Filer: the error results in the return being manually reviewed for acceptance or rejection. (NR). (3 - Composite return n/a for e-file)	140NR	0305	Form 140NR: Residency Status must be 1 or 2 ONLY. Any number other than "1" or "2" will be rejected. (3 - "Composite" return not available for e-file returns and should not be offered to users.)	3 (F)	Y	NEW (formerly error # 227)
0928	Form 140PY - Residency Status Code (Field 0305, position 48) must be: 1 - Part year resident, NOT active military, or 2 - Part year resident active military.	140PY	0305	Form 140PY, Residency Status must be 1 or 2. Any number other than "1" or "2" will be rejected.	3 (F)	Y	NEW (formerly error # 228)
0929	Forms 140, 140PY and 140NR - Credit Form 3090, 309NR, 309PY, 309R, 338, or 339 may not be transmitted with the return.	140, 140PY, 140NR	Unformatted Record	For 2007: Certain Credit forms may not be e-Filed and will disqualify a return from e-File eligibility.	3 (F)	Y	NEW (formerly error # 229)
0999	AZ DOR decision to reject return due to one or more unresolved error conditions.	n/a	n/a	Possible multiple errors. Undefined.	3 (F)	Y	NEW

*Severity Code Definitions:
1 - Nonresident, or
2 - Potential Non-Filer: the error results in the return being manually reviewed for acceptance or rejection. (NR).
3 - Fatal: the error causes the return to be rejected (F).

Section 12 – Appendix

Figure 1: THIS IMAGE IS FOR INFORMATIONAL PURPOSES ONLY: Not to be used to submit application.
Please go to: <http://www.azdor.gov/Eservice/pdf/2007App2Participate.pdf> to download the actual form.



Tax Year 2007 Arizona – Application to Participate/Letter of Intent

Software developers must provide the information requested below before transmissions will be accepted for testing. Receipt and acceptance of the required documentation identifies the developer as interested in participating in the electronic filing programs for Arizona. It does not represent acceptance of any software nor does it confirm the accuracy of any software developed.

1. Company Name:	<input type="text"/>		
2. Product Names:	<input type="text"/>		
3. Product Types:	<input type="checkbox"/> Professional	<input type="checkbox"/> Retail (Individual User)	<input type="checkbox"/> Online (Individual User)
	<input type="checkbox"/> 2D Barcode		
4. Test ETIN(s):	<input type="text"/>		
5. Production ETIN(s):	<input type="text"/>		
6. Developer ID (e-File): User selected (Must be a name , <u>not a number</u>). This is Alphanumeric Field 300, Position 1-10.	<input type="text"/>		
7. Vendor ID (2D Barcode):	<input type="text"/>		
8. Company Address:	<input type="text"/>		
9. e-File Programming Contact:	<input type="text"/>		
Phone:	<input type="text"/>	Email Address:	<input type="text"/>
10. Operations (Ack) Contact:	<input type="text"/>		
Phone:	<input type="text"/>	Email Address:	<input type="text"/>
11. 2D Barcode Contact:	<input type="text"/>		
Phone:	<input type="text"/>	Email Address:	<input type="text"/>
12. Please indicate the forms you intend to support (by product type):			
	Professional	Retail (Individual)	Online (Individual)
	<input type="checkbox"/> 140	<input type="checkbox"/> 140	<input type="checkbox"/> 140
	<input type="checkbox"/> 140 Sch A	<input type="checkbox"/> 140 Sch A	<input type="checkbox"/> 140 Sch A
	<input type="checkbox"/> 140A	<input type="checkbox"/> 140A	<input type="checkbox"/> 140A
	<input type="checkbox"/> 140EZ	<input type="checkbox"/> 140EZ	<input type="checkbox"/> 140EZ
	<input type="checkbox"/> 140NR	<input type="checkbox"/> 140NR	<input type="checkbox"/> 140NR
	<input type="checkbox"/> Sch A(NR)	<input type="checkbox"/> Sch A(NR)	<input type="checkbox"/> Sch A(NR)
	<input type="checkbox"/> 140PY	<input type="checkbox"/> 140PY	<input type="checkbox"/> 140PY
	<input type="checkbox"/> Sch A(PY)	<input type="checkbox"/> Sch A(PY)	<input type="checkbox"/> Sch A(PY)
	<input type="checkbox"/> Sch A(PYN)	<input type="checkbox"/> Sch A(PYN)	<input type="checkbox"/> Sch A(PYN)
	<input type="checkbox"/> 131	<input type="checkbox"/> 131	<input type="checkbox"/> 131
	<input type="checkbox"/> 221	<input type="checkbox"/> 221	<input type="checkbox"/> 221
	<input type="checkbox"/> 301	<input type="checkbox"/> 301	<input type="checkbox"/> 301
	<input type="checkbox"/> 302	<input type="checkbox"/> 302	<input type="checkbox"/> 302
	<input type="checkbox"/> 304	<input type="checkbox"/> 304	<input type="checkbox"/> 304
	<input type="checkbox"/> 305	<input type="checkbox"/> 305	<input type="checkbox"/> 305
	<input type="checkbox"/> 306	<input type="checkbox"/> 306	<input type="checkbox"/> 306
	<input type="checkbox"/> 307	<input type="checkbox"/> 307	<input type="checkbox"/> 307
	<input type="checkbox"/> 308-I	<input type="checkbox"/> 308-I	<input type="checkbox"/> 308-I
	<input type="checkbox"/> 309	<input type="checkbox"/> 309	<input type="checkbox"/> 309
	<input type="checkbox"/> 310	<input type="checkbox"/> 310	<input type="checkbox"/> 310
	<input type="checkbox"/> 312	<input type="checkbox"/> 312	<input type="checkbox"/> 312
	<input type="checkbox"/> 315	<input type="checkbox"/> 315	<input type="checkbox"/> 315
	<input type="checkbox"/> 319	<input type="checkbox"/> 319	<input type="checkbox"/> 319
	<input type="checkbox"/> 320	<input type="checkbox"/> 320	<input type="checkbox"/> 320
	<input type="checkbox"/> 321	<input type="checkbox"/> 321	<input type="checkbox"/> 321
	<input type="checkbox"/> 322	<input type="checkbox"/> 322	<input type="checkbox"/> 322
	<input type="checkbox"/> 323	<input type="checkbox"/> 323	<input type="checkbox"/> 323
	<input type="checkbox"/> 325	<input type="checkbox"/> 325	<input type="checkbox"/> 325
	<input type="checkbox"/> 331	<input type="checkbox"/> 331	<input type="checkbox"/> 331
	<input type="checkbox"/> 332	<input type="checkbox"/> 332	<input type="checkbox"/> 332
	<input type="checkbox"/> 333	<input type="checkbox"/> 333	<input type="checkbox"/> 333
	<input type="checkbox"/> 334	<input type="checkbox"/> 334	<input type="checkbox"/> 334
	<input type="checkbox"/> 336	<input type="checkbox"/> 336	<input type="checkbox"/> 336
	<input type="checkbox"/> 338	<input type="checkbox"/> 338	<input type="checkbox"/> 338
	<input type="checkbox"/> 339	<input type="checkbox"/> 339	<input type="checkbox"/> 339
	<input type="checkbox"/> State Only	<input type="checkbox"/> State Only	<input type="checkbox"/> State Only
	<input type="checkbox"/> Foreign Address	<input type="checkbox"/> Foreign Address	<input type="checkbox"/> Foreign Address
	<input type="checkbox"/> Direct Deposit	<input type="checkbox"/> Direct Deposit	<input type="checkbox"/> Direct Deposit
	<input type="checkbox"/> Electronic Funds W/D	<input type="checkbox"/> Electronic Funds W/D	<input type="checkbox"/> Electronic Funds W/D
	<input type="checkbox"/> MFS Allocation Form	<input type="checkbox"/> MFS Allocation Form	<input type="checkbox"/> MFS Allocation Form
			<input type="checkbox"/> 140
			<input type="checkbox"/> 140 Sch A
			<input type="checkbox"/> 140A
			<input type="checkbox"/> 140NR
			<input type="checkbox"/> Sch A(NR)
			<input type="checkbox"/> 140PY
			<input type="checkbox"/> Sch A(PY)
			<input type="checkbox"/> Sch A(PYN)
			<input type="checkbox"/> 140PTC
			<input type="checkbox"/> 310
			<input type="checkbox"/> 221
			<input type="checkbox"/> 321
			<input type="checkbox"/> 322
			<input type="checkbox"/> 323

Figure 2: THIS IMAGE IS FOR INFORMATIONAL PURPOSES ONLY.

ARIZONA SCHEDULE

1

**Listing of Additional Dependents, Parents/Ancestors,
Other Additions, and Other Subtractions**

2007

Name(s) as shown on Forms 140, 140A, 140NR, or 140PY	Social Security Number
--	------------------------

Additional Dependents

	FIRST AND LAST NAME	SSN	RELATIONSHIP	No. of Months Lived in Your Home in 2007
Dependent 4				
Dependent 5				
Dependent 6				
Dependent 7				
Dependent 8				
Dependent 9				
Dependent 10				
Dependent 11				
Dependent 12				
Dependent 13				
Dependent 14				

Additional Qualifying Parent/Ancestors

Parent/Ancessor 2			
Parent/Ancessor 3			
Parent/Ancessor 4			

Other Additions Listing

Description	Amount
A. Pension Adjustments	
B. Married Persons Filing Separate Returns	
C. Partnership Income	
D. Fiduciary Adjustment	
E. Net Operating Losses	
F. Items Previously Deducted for Arizona Purposes	
G. Claim of Right Adjustment for Amounts Repaid in 2007	
H. Claim of Right Adjustment for Amounts Repaid in Prior Taxable Years	
I. Addition to S Corporation Income Due to Credits Claimed	
J. Solar Hot Water Heating Plumbing Stub Out And Electric Vehicle Recharge Outlet Expenses	
K. Wage Expense for Employers of TANF Recipients	
L. Motion Picture Production Expenses	
M. Adj. Basis in Prop. for Which You Have Claimed a Credit For Investment In Qualified Small Businesses	
N. Depreciation or Amortization for a Water Conservation System	
O. Agricultural Water Conservation System Credit	
P. Other Adjustments (see instructions)	
Total Other Additions	

Other Subtractions Listing

Description	Amount
A. Previously Reported Gain on Decedent's Installment Sale	
B. Fiduciary Adjustment	
C. Partnership Income	
D. Federally Taxable Arizona Municipal Interest	
E. Adoption Expenses	
F. Qualified Wood Stove, Wood Fireplace, or Gas Fired Fireplace	
G. Claim of Right Adjustment for Amounts Repaid in Prior Taxable Years	
H. Certain Expenses Not Allowed for Federal Purposes	
I. Qualified State Tuition Program Distributions	
J. Subtraction for World War II Victims	
K. Installment Sale Income From Another State Taxed by the Other State in a Prior Taxable Year	
L. Agricultural Crops Given to Arizona Charities	
M. Basis Adjustment for Property Sold or Otherwise Disposed of During the Taxable Year	
N. Adjustment for IRC § 179 Expense Not Allowed	
O. Displaced Pupil Choice Grant Awards	
P. Other Adjustments (see instructions)	
Total Other Subtractions	

Figure 3: THIS IMAGE IS FOR INFORMATIONAL PURPOSES ONLY.

STANDARD POSTAL SERVICE STATE ABBREVIATIONS AND ZIP CODES

<u>State</u>	<u>Abbr.</u>	<u>Zip Code</u>	<u>State</u>	<u>Abbr.</u>	<u>Zip Code</u>
Alabama	AL	350nn-352nn 354nn-369nn	Michigan	MI	480nn-499nn
Alaska	AK	995nn-999nn	Minnesota	MN	550nn-567nn
Arizona	AZ	850, 852nn-853nn 855nn-857nn 859nn-860nn 863nn-865nn	Mississippi	MS	386nn-397nn
			Missouri	MO	630nn-658nn
			Montana	MT	590nn-599nn
			Nebraska	NE	680nn-693nn
Arkansas	AR	716nn-729nn, 75502	Nevada	NV	889nn-898nn
			New Hampshire	NH	030nn-038nn
California	CA	900nn-908nn, 910nn-928nn 930nn-961nn	New Jersey	NJ	070nn-089nn
			New Mexico	NM	870nn-884nn
Colorado	CO	800nn-816nn	New York	NY	004nn, 005nn, 06390, 100nn-149nn
Connecticut	CT	060nn-069nn			
Delaware	DE	197nn-199nn	North Carolina	NC	270nn-289nn
District of Columbia	DC	200nn-205nn	North Dakota	ND	580nn-588nn
Florida	FL	320nn-339nn, 341nn, 342nn, 344nn, 346nn, 347nn, 349nn	Ohio	OH	430nn-459nn
			Oklahoma	OK	730nn-732nn, 734nn-749nn
Georgia	GA	300nn-319nn, 398nn, 399nn	Oregon	OR	970nn-979nn
Hawaii	HI	967nn, 968nn	Pennsylvania	PA	150nn-196nn
Idaho	ID	832nn-838nn	Rhode Island	RI	028nn, 029nn
Illinois	IL	600nn-629nn	South Carolina	SC	290nn-299nn
Indiana	IN	460nn-479nn	South Dakota	SD	570nn-577nn
Iowa	IA	500nn-528nn	Tennessee	TN	370nn-385nn
Kansas	KS	660nn-679nn	Texas	TX	733nn, 73949, 750nn-799nn, 885nn
Kentucky	KY	400nn-427nn, 45275	Utah	UT	840nn-847nn
			Vermont	VT	050nn-054nn, 056nn-059nn
Louisiana	LA	700nn-714nn, 71749	Virginia	VA	20041, 201nn, 20301, 20370, 220nn-246nn
Maine	ME	03801, 039nn-049nn	Washington	WA	980nn-986nn, 988nn-994nn
Maryland	MD	20331, 206nn-219nn	West Virginia	WV	247nn-268nn
Massachusetts	MA	010nn-027nn, 055nn	Wisconsin	WI	49936, 530nn-549nn
			Wyoming	WY	820nn-834nn

Figure 4: THIS IMAGE IS FOR INFORMATIONAL PURPOSES ONLY.

STANDARD POSTAL SERVICE STATE ABBREVIATIONS AND
ZIP CODES

U.S. Possession	Abbr.	Zip Code
American Samoa	AS	96799
Guam	GU	9691n, 9692n or 9693n
Commonwealth of the Northern Mariana Islands	MP	9695n
Puerto Rico	PR	006nn, 007nn, 009nn
U.S. Virgin Islands	VI	008nn

Figure 5: THIS IMAGE IS FOR INFORMATIONAL PURPOSES ONLY.

APO/FPO CITY/STATE/ZIP CODES FOR MILITARY OVERSEAS ADDRESSES

<u>City</u>	<u>State</u>	<u>Zip Code</u>
APO or FPO	AA	340nn
APO or FPO	AE	090nn-098nn
APO or FPO	AP	962nn-966nn

"Technology made large
populations possible; large
populations now make
technology indispensable."
— Joseph Wood Krutch

Figure 6: THIS IMAGE IS FOR INFORMATIONAL PURPOSES ONLY.

Community Property State Abbreviations

<u>Community Property States</u>	<u>Community Property State Abbreviations</u>
Arizona	AZ
California	CA
Idaho	ID
Louisiana	LA
New Mexico	NM
Nevada	NV
Texas	TX
Washington	WA
Wisconsin	WI